

**CALIFORNIA ENERGY COMMISSION**

1516 Ninth Street  
Sacramento, California 95814

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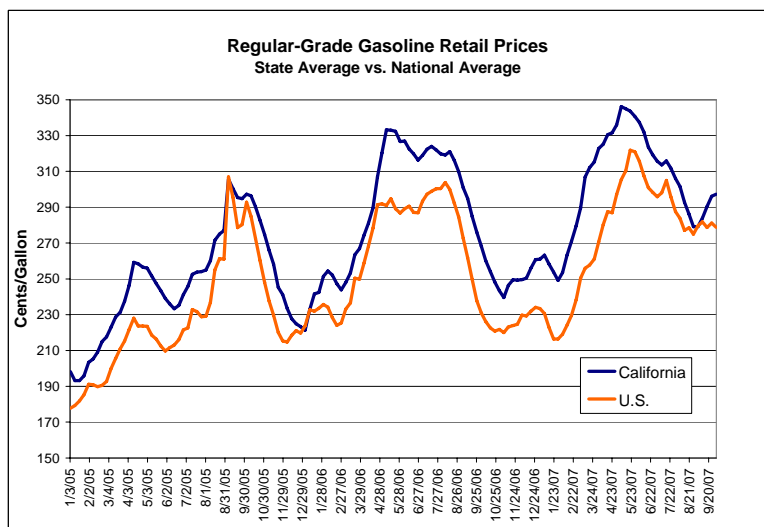
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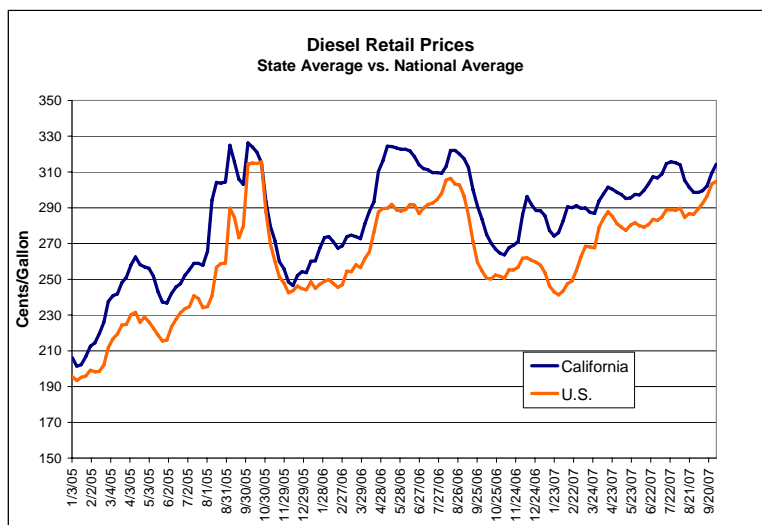
Consumer Information: [www.ConsumerEnergyCenter.org](http://www.ConsumerEnergyCenter.org)

**Petroleum Watch****October 5, 2007*****Retail Gasoline and Diesel Prices on October 1***

- The average California **retail price for regular-grade gasoline** has increased for the fourth consecutive week, increasing 1 cent from last week to \$2.97 per gallon, 13 cents higher than the last Petroleum Watch. Prices are 49 cents less than the record high of \$3.46 on May 7 but 29 cents per gallon higher than the same time last year.<sup>i</sup>
- The difference between California and U.S. retail gasoline prices increased 16 cents from our last report on September 10 to 18 cents per gallon. U.S. gasoline prices fell 3 cents since September 10 to \$2.79 per gallon and are 48 cents more than reported this time last year.



- The average California **retail diesel price** rose to \$3.14 per gallon, 5 cents more than last week and 14 cents more than our last report on September 10. The U.S. retail diesel price increased 12 cents from September 10 to \$3.05 per gallon. The difference between California and U.S. prices increased 2 cents since September 10 to 9 cents per gallon.

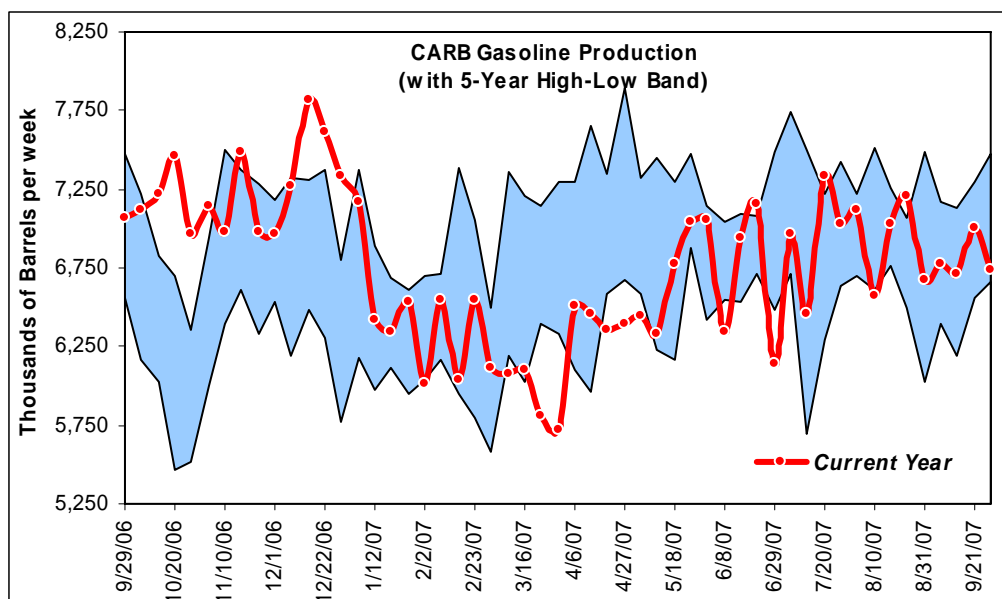


### **Wholesale Gasoline and Diesel Prices on October 2**

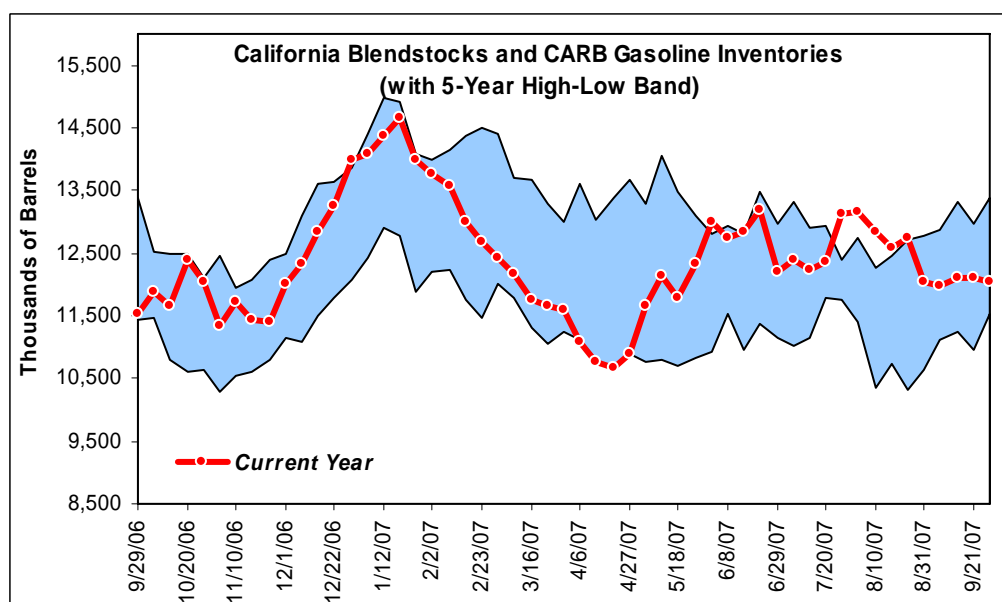
- The record high crude oil prices in recent weeks have increased input costs at California refineries which pushed wholesale gasoline and diesel prices upward.
- California spot wholesale gasoline prices for regular-grade reformulated blendstock for oxygenate blending (RBOB) increased to \$2.20 per gallon, 4 cents per gallon more than the last Petroleum Watch report for September 11 and 45 cents more than on the same day last year.
- Spot prices for RBOB in Los Angeles are 22 cents per gallon higher than New York Harbor and 23 cents higher than the Gulf Coast.
- California spot **wholesale ultra low-sulfur diesel prices** have increased since the last Petroleum Watch report to \$2.27 per gallon, 6 cents more than on September 11 and 42 cents more than the same day last year.
- California wholesale ultra low-sulfur diesel prices are 5 cents per gallon more than the Gulf Coast and 6 cents more than New York Harbor, up from 3 cents more and 4 cents less, respectively, on September 11.
- California spot gasoline prices ended the reporting week at 7 cents less than California diesel, compared to 5 cents less than diesel on September 11.
- The Energy Information Administration's (EIA) weekly report for September 28 shows that **U.S. gasoline demand** decreased 1.2 percent from the previous week, while distillate demand increased 5.1 percent from the previous week. The four-week average demand for gasoline is 9.25 million barrels per day, 0.1 percent more than the four-week average at the same time last year. The four-week average for U.S. distillate demand is 4.11 million barrels per day, 0.6 percent less than the same period last year.

## Refinery Production and Inventories

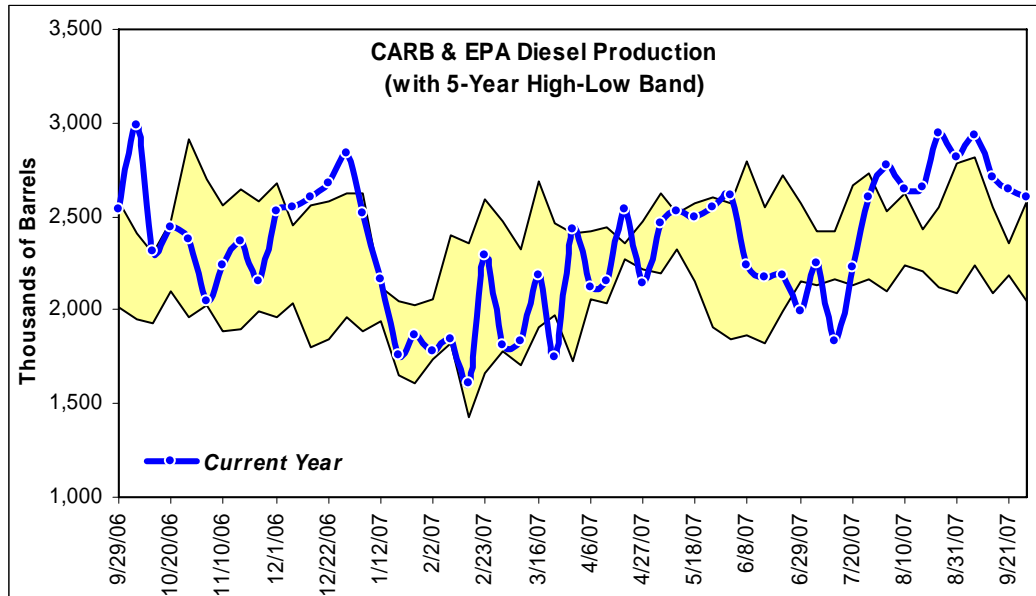
- **Reformulated gasoline production** in California for the week ending September 28 decreased 3.8 percent from the previous week to 6.73 million barrels, 4.8 percent less than a year ago. Production levels fell toward the lower end of the five-year range.<sup>ii</sup>



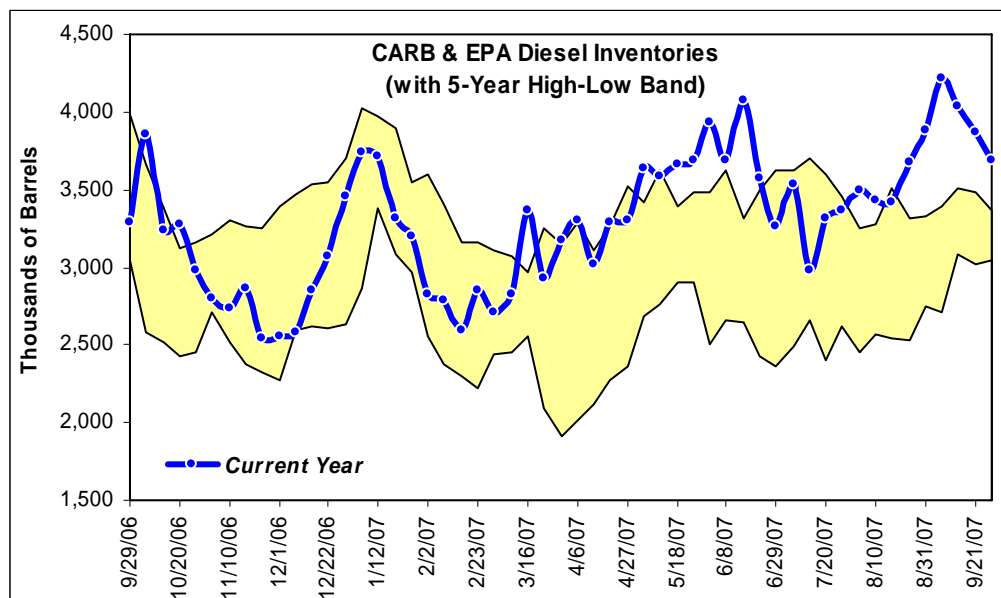
- California reformulated gasoline inventories decreased by 0.2 percent last week while gasoline blendstock inventories fell 1.1 percent. As a result, **combined inventories** of reformulated gasoline and gasoline blendstocks in the state **decreased by 0.7 percent** to 12.03 million barrels, remaining in the middle of the five-year range.



- U.S. gasoline inventories as of September 28 were at 191.3 million barrels, 41,000 barrels less than the previous week. Inventories decreased on the East Coast and increased on the Gulf and West Coasts during the latest week.
- California **ultra low-sulfur diesel production** during the week ending September 28, including both California diesel and U.S. Environmental Protection Agency (EPA) diesel fell to 2.61 million barrels, 1.3 percent less than the previous week but still higher than the five-year range.



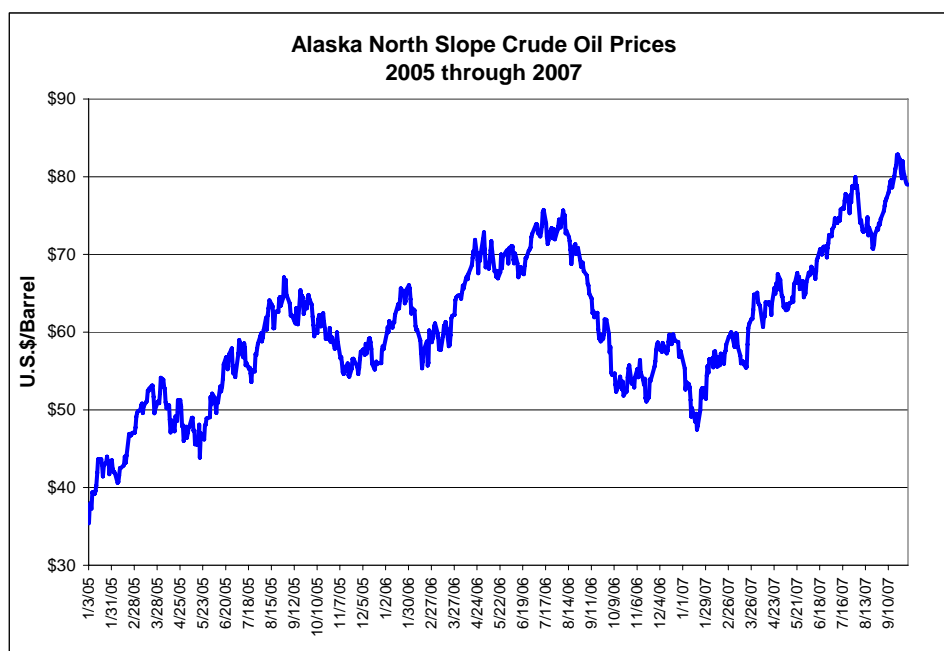
- Combined **ultra low-sulfur diesel inventories** in California decreased 4.8 percent from the previous week to 3.69 million barrels but remained well above the five-year range. Total U.S. distillate inventories as of September 28 fell to 135.9 million barrels, 1.2 million barrels less than the previous week. Inventories increased on the East Coast but decreased on the Gulf and West Coasts from the previous week.



- On September 25, Contra Costa County Supervisors unanimously granted ConocoPhillips a land use permit for their clean fuels expansion project at the Rodeo refinery. The project will add a new hydrogen plant and hydrocracker, providing up to 1 million gallons (about 24,000 barrels) per day of additional gasoline and diesel. The granting of the project permit can still be appealed over the next couple of months.

### **Crude Oil Prices and Inventories**

- Since the last Petroleum Watch report, West Coast prices for Alaska North Slope (ANS) crude oil, an important refinery feedstock for California, rose to a record high of \$82.87 per barrel on September 21 but retreated to \$79.41 by October 3.<sup>iii</sup> Decreasing crude oil stocks in recent weeks have tightened the crude oil market. Further dollar depreciation against other currencies, the calling off of a recent truce by Nigeria's main militant group, and rising injections of royalty oil into the U.S. Strategic Petroleum Reserve have also put upward pressure on the price of crude oil.



- U.S. commercial crude oil inventories as of September 28 rose by 1.1 million barrels from the previous week to 321.8 million barrels. Crude oil stocks are 6.4 million barrels less than last year but are 29.9 million barrels higher than the five-year average. California crude oil stocks rose 4.1 percent from the previous week to 16.0 million barrels and are 10.6 percent higher than last year.

<sup>i</sup> Spot wholesale and retail gasoline and diesel prices and U.S. crude oil and product inventory estimates are from the Energy Information Administration of the U.S. Department of Energy.

<sup>ii</sup> California refinery production and inventory information is from the Petroleum Industry Information Reporting Act (PIIRA) database maintained by the California Energy Commission.

<sup>iii</sup> ANS crude oil prices are from *The Wall Street Journal*.